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PROGRESS REPORT  
ON THE  
CENTRAL INTELLIGENCE GROUP

*Memorandum Submitted To*  
THE NATIONAL INTELLIGENCE AUTHORITY

*by*

*Rear Admiral Sidney W. Souers, USNR*  
Director of Central Intelligence

Dated 7 June 1946

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MEMORANDUM FOR THE NATIONAL INTELLIGENCE AUTHORITY

SUBJECT: Progress Report on the Central Intelligence Group

1. ESTABLISHMENT

The Central Intelligence Group was officially activated on 8 February 1946 pursuant to the approval of N.I.A. Directive No. 2. Actually, a small group of personnel from the State, War, and Navy Departments had been assembled beginning on 25 January, three days after the President signed the letter directing the establishment of the National Intelligence Authority.

2. ORGANIZATION

The Central Intelligence Group has been organized in accordance with N.I.A. Directive No 2. The major components at the present time are the Central Planning Staff, charged with planning the coordination of intelligence activities, and the Central Reports Staff, responsible for the production of national policy intelligence. A Chief of Operational Services, with a small staff, has been designated as a nucleus from which an organization to perform services of common concern may be built. A small Secretariat to serve the National Intelligence Authority, the Central Intelligence Group, and the Intelligence Advisory Board, has been created. The Administrative Division consists of an Administrative Officer, a Security Officer, a Personnel Officer, and a small group of trained personnel to provide necessary administrative services for the Central Intelligence Group.

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### 3. PERSONNEL

Personnel for C.I.G. has been requested and selected on the principle that only the most experienced individuals in each field of intelligence activity should be utilized in this vital preliminary period. The responsible officers in the Departments have cooperated wholeheartedly toward this end. However, the procurement of C.I.G. personnel has necessarily been a rather slow process, in view of the demobilization and the fact that C.I.G. and departmental requirements for qualified individuals naturally had to be reconciled in many specific cases. The present status of C.I.G. personnel is shown in the following tabulation:

	<u>STATE</u>		<u>WAR</u>		<u>NAVY</u>		<u>TOTAL</u>	
	Actual	Auth.	Actual	Auth.	Actual	Auth.	Actual	Auth.
Central Reports Staff	5	17	10(5A)	26	4	18	19	61
Central Planning Staff	6	10	13(5A)	20	8	10	27	40
Administrative Division *	5	16	16(3A)	33	4	15	25	64
TOTAL	16	43	39(13A)	79	16	43	71	165
Accepted but not yet assigned to C.I.G.	5	--	6	--	2	--	13	--
TOTAL	21	43	45	79	18	43	84	165
% of Authorized	49%	--	57%	--	42%	--	51%	--

\* Includes Office of Director, Secretariat, and Chief of Operational Services..

"Auth." - Authorized by N.I.A. Directive No. 2

"A" - Personnel assigned by A-2

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It may be seen that the organization of the Central Planning Staff has been given priority, since effective planning is considered a necessary prelude to accomplishment of the C.I.G. mission. Concentration is now placed on manning the Central Reports Staff. The need for filling positions in the Administrative Division has been largely alleviated by the part-time use of the personnel and facilities of the Strategic Services Unit, although this Division will require reinforcement when centralized operations are undertaken.

A development of great importance regarding personnel has been the designation of specially qualified consultants to the Director of Central Intelligence. An outstanding scientist with wide intelligence experience, Dr. H. P. Robertson, is Senior Scientific Consultant to the Director. Arrangements are well advanced for the designation of Mr. George F. Kennan, recently Charge d'Affaires in Moscow and a Foreign Service Officer with a distinguished career, as Special Consultant to the Director, particularly on U.S.S.R. affairs.

#### 4. ACTIVITIES

The activities of the Central Intelligence Group to date have been characterized principally by the administrative details of organization, the consideration of urgent problems, and the basic planning for a sound future intelligence program. Basic policies and procedures regarding the organization have been established. Urgent problems in the intelligence field,

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especially as regards certain vital operations, have been carefully studied and appropriate action has been or is ready to be taken. Substantial progress has been made in the analysis of long-range intelligence problems. The throes of initial organization and planning are, therefore, generally past, and the time for initiation of centralized intelligence operations has now been reached.

Coordination of Intelligence Activities. Beginning on 12 February 1946, four days after the activation of C.I.G., the C.I.G. has been receiving numerous suggestions or recommendations for studies leading to the effective coordination of Federal intelligence activities. A number of other studies of this type have been initiated by C.I.G. These problems generally fall into three categories: (a) problems for which partial but inadequate solutions were evolved during the war; (b) problems which existing Governmental machinery was unable to solve or incapable of solving; and (c) problems which required new solutions in the light of the post-hostilities situation.

Some of these problems, particularly in the third category, require urgent interim solution. Among these problems for which interim solutions have been evolved or initiated are the liquidation of the Strategic Services Unit, the development of intelligence on the U.S.S.R., and the coordination of scientific intelligence.

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Problems for which immediate solutions are well advanced include the following:

- a. Provision for monitoring press and propaganda broadcasts of foreign powers.
- b. Provision for coordinating the acquisition of foreign publications.
- c. Coordination of collection of intelligence information.
- d. Coordination of intelligence research.
- e. Essential elements of information.
- f. Provision for collecting foreign intelligence information by clandestine methods.
- g. Intelligence on foreign industrial establishments.
- h. Interim study of the collection of intelligence information in China.
- i. Central Register of Intelligence Information.

Projects which are in various stages of study or planning cover the following additional subjects:

- a. Disposition of files of the U.S. Strategic Bombing Survey.
- b. Censorship planning.
- c. Intelligence terminology.
- d. Resources potential program.
- e. Application of sampling techniques to intelligence.
- f. Survey of coverage of the foreign language press in the United States.
- g. Intelligence on foreign petroleum developments.
- h. Coordination of geographical and related intelligence.

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- i. Disposition of the Publications Review Subcommittee of the Joint Intelligence Committee.
- j. Survey of the Joint Intelligence Study Publishing Board.
- k. Disposition of the photographic intelligence file in the Department of State.
- l. Coordinated utilization of private research in the social sciences.
- m. Index of U.S. residents of foreign intelligence potential.
- n. Exploitation of American business concerns with connections abroad as sources of foreign intelligence information.
- o. Planning for psychological warfare.
- p. Utilization of the services of proposed minerals attaches.

One of the functions of C.I.G. which has assumed great importance is the support of adequate budgets for Departmental intelligence. Coordinated representation to the Bureau of the Budget and the Congress, of the budgetary requirements for intelligence activities, promises to be one of the most effective means for guarding against arbitrary depletion of intelligence resources at the expense of national security. So long as the C.I.G. is dependent upon the Departments for budgetary support, however, its authority to speak as an unbiased guardian of the national security will be suspect and therefore not wholly effective.

Production of National Policy Intelligence. Pursuant to N.I.A. Directive No. 2, the Central Reports Staff concentrated on the production of a factual Daily Summary, the

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the first issue of which was dated 13 February. Although this Summary covered operational as well as intelligence matters and involved no C.I.G. interpretation, it has served to keep the C.I.G. personnel currently advised of developments and formed a basis for consideration of future intelligence reports.

Despite the undermanned condition of the Central Reports Staff, the urgent need for a Weekly Summary has resulted in the decision to produce the first issue on 14 June. Until adequately staffed in all geographic areas, however, this publication will concentrate on those areas for which qualified personnel is now available. The concept of this Weekly Summary is that it should concentrate on significant trends of events supplementing the normal intelligence produced by the Departments. Procedures are being developed to ensure that the items contained therein reflect the best judgment of qualified personnel in C.I.G. and the Departments.

The primary function of C.I.G. in the production of intelligence, however, will be the preparation and dissemination of definitive estimates of the capabilities and intentions of foreign countries as they affect the national security of the United States. The necessity of assigning the best qualified and carefully selected personnel to this vital task has delayed its initiation. Solution of the relationship of this C.I.G. activity to the Departments, the State-War-Navy Coordinating Committee, the Joint Chiefs of Staff, and other agencies concerned with the national security, has also been deferred

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pending the procurement of adequate personnel. This procurement has now been given priority, and it is anticipated that the Central Reports Staff will be prepared to produce national policy intelligence at an early date.

Performance of Centralized Operational Services. The operation of central services by the C.I.G. has been considered to be a subject requiring careful study to ensure that Departmental operations are not impeded or unnecessarily duplicated. The urgent need for central direction of the activities and liquidation of the Strategic Services Unit was recognized by the N.I.A. and an arrangement was effected whereby this Unit is operated by the War Department under directives from the Director of Central Intelligence. This arrangement temporarily provided C.I.G. with facilities for direct collection of required information but is admittedly only a stop-gap measure.

C.I.G. planning and organization has now progressed to the point where firm recommendations may be made for C.I.G. operation of intelligence services which can be more efficiently accomplished centrally. Among those operations under consideration as C.I.G. activities are:

- a. Monitoring press and propaganda broadcasts of foreign powers.
- b. Collection of foreign intelligence information by clandestine methods.
- c. Production of static intelligence studies of foreign areas, to replace Joint Army-Navy Intelligence Studies (JANIS).

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- d. Establishment of a Central Register of Intelligence Information.
- e. Basic research and analysis of intelligence subjects of common interest to all Departments, such as economics, geography, sociology, biographical data, etc.

In the consideration of performance by C.I.G. of central operations, however, the administrative, budgetary and legal difficulties of the present organization have presented real problems. The reduction of Departmental funds and personnel for intelligence activities have made it difficult for Departments, despite their desire to cooperate, to furnish the necessary facilities to C.I.G. The inability of C.I.G. to recruit personnel directly from civilian life, and the administrative complications of procuring personnel from the Departments, are likely to jeopardize effective conduct of C.I.G. operations. The lack of enabling legislation making the C.I.G. a legal entity has made it impossible to negotiate contracts which are required for many operations, such as the monitoring of foreign broadcasts.

## 5. CONCLUSIONS

a. The present organizational relationship between the National Intelligence Authority, the Central Intelligence Group, and the Intelligence Advisory Board is sound.

b. The initial organizational and planning phase of C.I.G. activities has been completed and the operation of centralized intelligence services should be undertaken by C.I.G. at the earliest practicable date.

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c. The National Intelligence Authority and the Central Intelligence Group should obtain enabling legislation and an independent budget as soon as possible, either as part of a new national defense organization or as a separate agency, in order that (1) urgently needed central intelligence operations may be effectively and efficiently conducted by the Central Intelligence Group, and (2) the National Intelligence Authority and the Central Intelligence Group will have the necessary authority and standing to develop, support, coordinate and direct an adequate Federal intelligence program for the national security.

SIDNEY W. SOUERS  
Director

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